

State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt Governor Robert L. Morgan Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 telephone (801) 359-3940 fax (801) 538-7223 TTY www.nr.utah.gov

August 6, 2003

Mr. David Taylor Miracle Rock Mining and Research, LLC 400 South 200 East Emery, Utah 84522

Re: Interim Bond, Miracle Rock Mining and Research, Rockland Mine, M/015/040, Emery County,

Utah

Dear Mr. Taylor:

The Notice of Noncompliance issued by the Division to Miracle Rock Mining and Research on March 17, 2003, required submission of an interim reclamation bond in the amount of \$30,000. In your letter dated July 23, 2003, you requested that the current bonds held by the School and Institutional Trust Lands Administration (SITLA) be deemed adequate until the bond amount is calculated for the final Notice of Intention to Commence Large Mining Operations. Trust Lands currently holds \$12,500 in bonds for the Rockland Mine. They have informed us that \$500 should be retained for royalties with the balance (\$12,000) applied toward site reclamation.

Doug Jensen and Paul Baker intend to inspect the mine in early August with the intention of becoming more familiar with the site and what reclamation will eventually need to be done. We will temporarily suspend making a final decision on the adequacy of the SITLA bond for satisfying the interim bonding requirements of the Notice of Noncompliance until that time. You will be notified accordingly following our inspection.

Please call Paul Baker at 801-538-5261, Doug Jensen at 801-538-5382, or me at 801-5386 if you have any questions or concerns about this letter or the planned site inspection.

Sincerely

D. Wayne Hedberg Permit Supervisor

Minerals Regulatory Program

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cc: John Blake, SITLA

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